Bosna i Hercegovina
Agencija za rad i zapošljavanje
Bosne i Hercegovine
SARAJEVO

Bosnia and Herzegovina
Labor and Employment Agency of
Bosnia and Herzegovina
SARAJEVO

Босна и Херцеговина
Агенција за рад и запошљавање
Босне и Херцеговине
САРАЈЕВО

Bosnia and Herzegovina
Labor and Employment Agency of
Bosnia and Herzegovina
SARAJEVO

LABOUR MARKET RESEARCH IN BOSNIA AND HERZEGOVINA 2020/2021.

THEMATIC REPORT

COVID-19 IMPACT ON LABOUR MARKET

Funded by
the European Union

IMPROVING LABOUR MARKET RESEARCH

Publishers:

Labour and Employment Agency of Bosnia and Herzegovina
71 000 Sarajevo
Đoke Mazalića 3

Telephone: 033/560-340
e-mail: kabinet@arz.gov.ba
web: http://arz.gov.ba/

European Union Project "Improvement of Labor Market Research"
71 000 Sarajevo
La Benevolencija 8

Telephone: 033/834-059
e-mail: rama@niras.com

Editor: Siniša Veselinović, Head of Department of Domestic Labour Market

Expert consultants: Dr.sc. Ljiljan Veselinović
Dr.sc. Ranko Markuš

Circulation: 200 copies

This report was prepared with the technical support of the project "Improvement of Labour Market Research", funded by the European Union and implemented by the consortium NIRAS IC Sp z oo, GOPA Worldwide Consultants, GOPA mbH Germany and Employment Service of the French Republic.

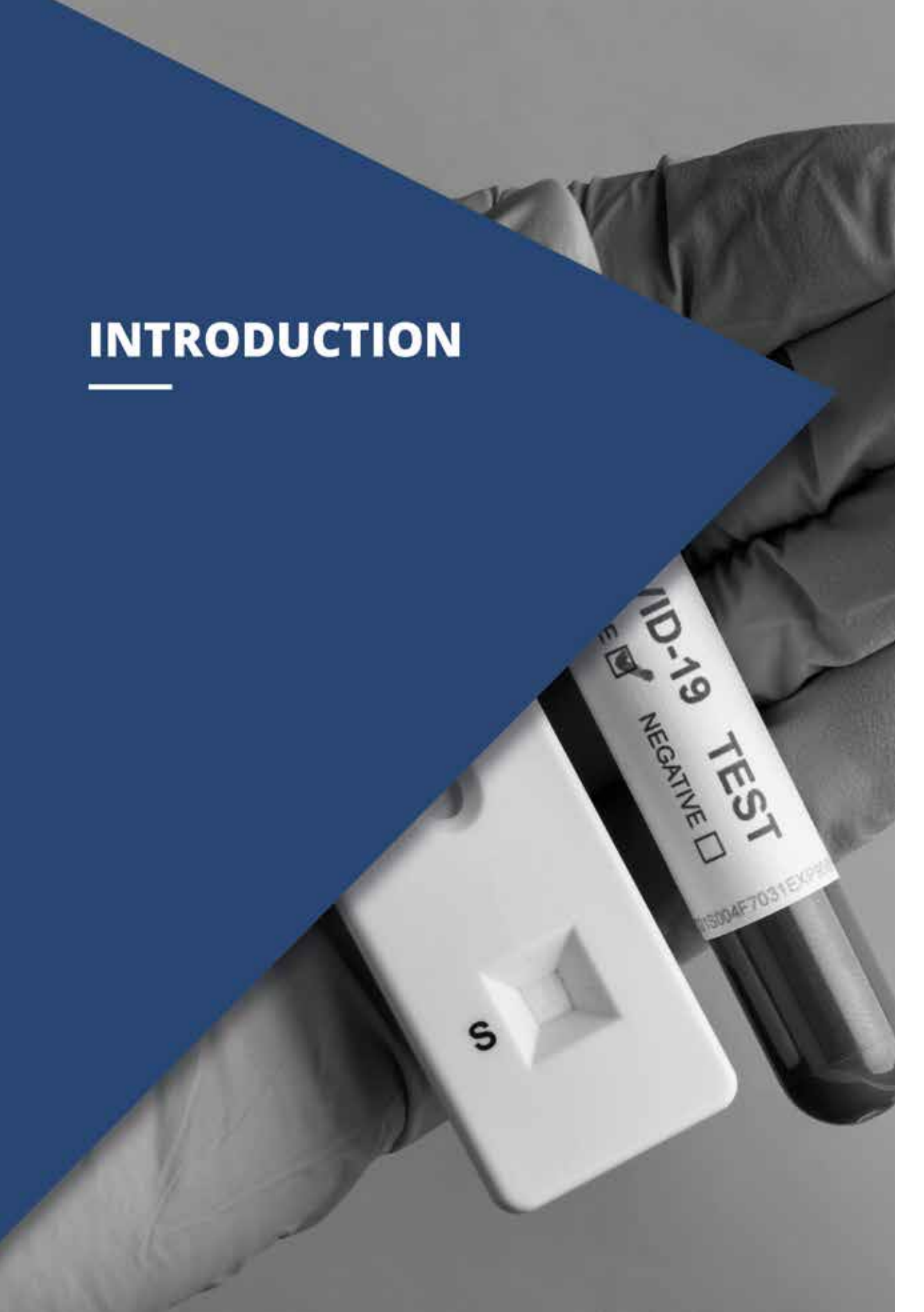
CONTENTS

GLOSSARY

Surveying	Data collection strategy which allows the collection of quantitative data that can later be analyzed using descriptive and inferential statistics. The survey is usually conducted using a questionnaire on a pre-selected sample of employers. Through the survey process, employers provide answers to pre-defined questions, which can also represent the subjective attitudes of employers. Data collected on a random sample can be generalized for the entire population.
Activity	An activity is a combination of resources such as equipment, work, production techniques, information networks or products that result in certain goods or services. The activity is determined by the input of the product (goods or services), the production process and the output of the product.
Classification of activities	Classification of activities is one of the basic statistical norms used in recording, collecting, processing, analyzing, disseminating and presenting data important for the state of a particular economy, and for analyzing and directing social and economic development and its structural changes. The Classification of Activities of Bosnia and Herzegovina - KD BiH is based on the Statistical Classification of Economic Activities in the EU - NACE Rev.1.1 and is comparable to the International Standard Industrial Classification of All Economic Activities of the United Nations.
Small enterprises (legal entities)	Business entities whose average number of employees in the year for which the financial report is submitted is up to 49, and whose average value of business assets at the end of the business year or total annual income is within the limits defined by law.
Employers	For the purpose of this research, an employer is an organization, institution, agency, company, non-profit association, which has five (5) or more employees and pays mandatory taxes and contributions regularly.
Business result	The sum of all the various effects of the enterprise (i.e. products and services). It is expressed through: quantity of products and services, income and profit.

Termination of employment contract	This term includes termination of employment relationship on different grounds. Employment relationship ends when the employment contract signed between the employee and the employer regulating their mutual relationship ceases to be valid. A wider definition of the cessation of contractual relations between the employer and the employee, for the purpose of this research, includes termination of employment contact, retirement, and all other reasons for termination of employment relationship in the analyzed period.
Medium enterprises (legal entities)	Business entities whose average number of employees in the year for which the financial report is submitted is from 50 to 249, and whose average value of business assets at the end of the business year or total annual income is within the limits defined by law.
Sampling	Based on the master sample of the total population of employers, a sample of employers with five (5) or more employees, sorted into small, medium and large employers by activities, which regularly pay mandatory taxes and contributions, was selected for labor market surveys using the stratified random sample method.
Large enterprises (legal entities)	Business entities whose average number of employees in the year for which the financial report is submitted is 249 and more, and whose average value of business assets at the end of the business year or total annual income is within the limits defined by law.
Occupation	An occupation is a set of jobs and work tasks (jobs) that are so closely related and interconnected in their content and type that they are performed by a single executor who possesses the appropriate knowledge, abilities and skills. In statistics, an occupation means a job (work place) performed by a person in order to earn a living.
Employees	Employees are all persons who have established an employment relationshipwith the employer, for a definite or indefinite period of time, regardless of the length of working hours and the ownership of the legal entity. Employees include trainees, persons on maternity leave and sick leave, and persons who are absent from work for any reason until the termination of employment.

INTRODUCTION



COVID-19 IMPACT ON LABOUR MARKET

SAMPLE

2.564

employers at the level of Bosnia and Herzegovina surveyed

78.3%

small enterprises in the sample

30.0%

in activity Wholesale and retail trade; repair of motor vehicles and motorcycles

DECLINING BUSINESS VOLUME

44.1%

of employers in the sample

Most affected activities

Hotel business and catering

Administrative and support service activities

Transport and storage

DECLINE IN FINANCIAL PERFORMANCE

44.9%

of employers in the sample

RESPONSE TO THE COVID-19 CRISIS (% EMPLOYERS)

22.4%

organisation of work from home

11%

dismissal of workers

28.0%

business suspension (temporary or permanent)

-1.6%

Reduction of workers

-2.9%

Big enterprises

-19.0%

Hotel business and catering

COVID-19 IMPACT ON LABOUR MARKET

PARTICULARLY SOUGHT-AFTER OCCUPATIONS

- DELIVERY MEN
- DATA ENTRY OPERATORS
- ASSISTANT WORKERS IN MANUFACTURING
- TELEPHONE OPERATOR
- TRUCK DRIVER
- IT DEVELOPER
- CARPENTER
- COMMERCIALIST

52.3%

share in increasing
the number of workers

PARTICULARLY AFFECTED OCCUPATIONS

53.3%

share in reducing
the number of workers

- SALESMAN - TRADER
- WAITER
- SEAMSTER
- SHOEMAKER
- LEATHER SEAMSTER
- BUS DRIVER
- PRODUCT ASSEMBLER
- COOK

INTRODUCTION

At the end of 2020 and the beginning of 2021, the Federation Employment Service, the Employment Service of Republika Srpska and the Employment Service of the Brčko District of BiH conducted labour market research using a mutually agreed methodology, including a survey questionnaire. The aim of the research is to look at the current situation in terms of the challenges that employers faced in 2020, and to examine the demands of the labour market for workers in 2021. After individual research was conducted and results were presented by entity and Brčko District Employment Services, a consolidated report was created to show the data at the level of Bosnia and Herzegovina. In this context, this report relies on the consolidated report, but thematically it deals with the questions from the questionnaire which concerns the impact of COVID-19 on the labour market in Bosnia and Herzegovina.

A stratified sampling approach was used, with activity (sector) and the size of the enterprise as the key stratification variables. A total of 2,429 employers at the level of Bosnia and Herzegovina were surveyed. Small enterprises prevail in the sample (78.34%), which actually reflects the actual situation of the economy. Medium enterprises make up 15.89% and big enterprises make up 5.76% of the sample.

Table 1. Sample by size of surveyed employers

Size	FBiH	RS	Brčko Distrikt	Total - BiH	Percentage
Small enterprises	1.003	695	205	1.903	78,34%
Medium enterprises	165	209	12	386	15,89%
Big enterprises	64	74	2	140	5,76%
Total	1.232	978	219	2.429	100,00%

The largest percentage of enterprises in the sample falls into activity G - Wholesale and retail trade; repair of motor vehicles and motorcycles (30.0%), C - Manufacturing (24.7%) and H – Transport and storage (7.0%). These three activities make up 61.7% of the surveyed employers.

Table 2. Sample by activity of surveyed employers

Activity	FBiH	RS	Brčko Distrikt	Total-BiH	Percentage
A: Agriculture, forestry and fishing	-	-	8	8	0,3%
B: Mining and quarrying	10	16	-	26	1,1%
C: Manufacturing industry	322	250	28	600	24,7%
D: Production and supply of electricity, gas, steam and air conditioning	1	13	-	14	0,6%
E: Water supply; wastewater disposal, waste management and remediation activities	28	25	2	55	2,3%
F: Construction	119	86	14	219	9,0%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	304	323	102	729	30,0%
H: Transport and storage	74	71	25	170	7,0%
I: Accommodation and food service activities (hotels and restaurants)	132	26	2	160	6,6%
J: Information and communication	46	34	6	86	3,5%
K: Financial and insurance activities	8	6	1	15	0,6%
L: Real estate business	9	14	2	25	1,0%
M: Professional, scientific and technical activities	104	86	16	206	8,5%
N: Administrative and support service activities	34	16	1	51	2,1%
O: Public administration and defence; compulsory social insurance	-	-	1	1	0,0%
Q: Health and social work	-	1	5	6	0,2%
P: Education	-	-	1	1	0,0%
R: Arts, entertainment and recreation	18	8	4	30	1,2%
S: Other service activities	23	3	1	27	1,1%
All activities	1.232	978	219	2.429	100,0%

IMPACT OF COVID-19 CRISIS ON KEY BUSINESS INDICATORS IN 2020

IMPACT OF COVID-19 CRISIS ON KEY BUSINESS INDICATORS IN 2020

Business activities in 2020 were marked by the COVID-19 pandemic, which affected the key business indicators of enterprises in 2020. In the questionnaire the employers were asked to assess the volume of business (changes in production, sales and services) in 2020, and the financial effects of business operations by choosing one of the three possible answers: decline, stagnation or growth compared to the previous year. Given the fact that the employers completed the questionnaire at the end of 2020 and the beginning of 2021, the answers reflect their subjective estimate of effects on key business indicators in the context of the COVID-19 pandemic.

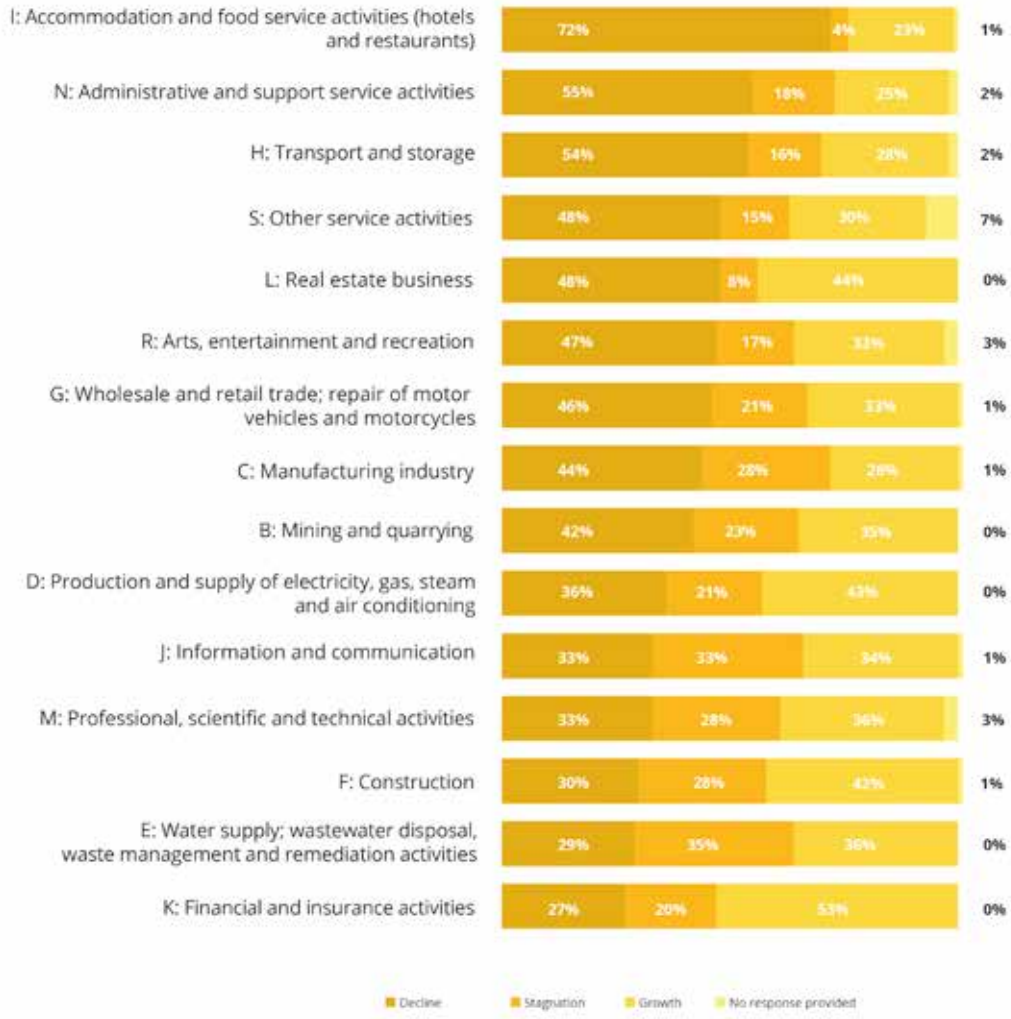
IMPACT OF COVID-19 ON BUSINESS VOLUME

In terms of business volume, the largest percentage of employers in Bosnia and Herzegovina (44.1%) stated that in 2020 they had a decline in business volume, while 32.0% had stagnation. Only 22.8% of employers reported an increase in business volume. Such results were expected, especially having in mind the difficult conditions in which the enterprises operated in 2020, and they are a direct consequence of the COVID-19 pandemic.

Table 3. Business volume estimate (production, sale, services) in 2020

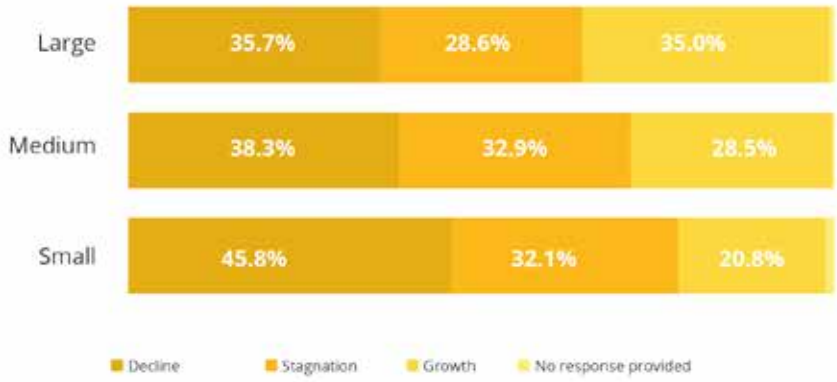
Business volume (production, sale, services)	FBiH	RS	Brčko Distrikt	Total - BiH	Percentage
Decline	516	461	93	1070	44,1%
Stagnation	382	304	92	778	32,0%
Growth	312	210	33	555	22,8%
No answer	22	3	1	26	1,1%
Total	1232	978	219	2429	100,0%

In individual activities, the highest percentage of employers in hotel and catering industries (72%) reported decline in business volume, followed by employers from administrative and support service activities (55%) and transport and storage (54%). The lowest percentage of employers in financial activities (27%), water supply, wastewater disposal, waste management and remediation activities (29%) and construction (30%) reported decline in business volume.



Graph 1. Business volume assessment (production, sales, services) in 2020 by activity

When analysing the estimate of business volume for each category of enterprise by size, decline in business volume was reported by 45.8% of small enterprises, 38.3% of medium enterprises and 35.7% of big enterprises. These results indicate that small enterprises were more affected by the COVID-19 pandemic than the medium and big ones. Also, looking at the growth of business volume – only 20.8% of small enterprises reported business volume growth, in contrast with 35.0% of big and 28.5% of medium enterprises.



Graph 2. **Business volume assesment (production, sales, services) in 2020 by size**

IMPACT OF COVID-19 ON FINANCIAL PERFORMANCE

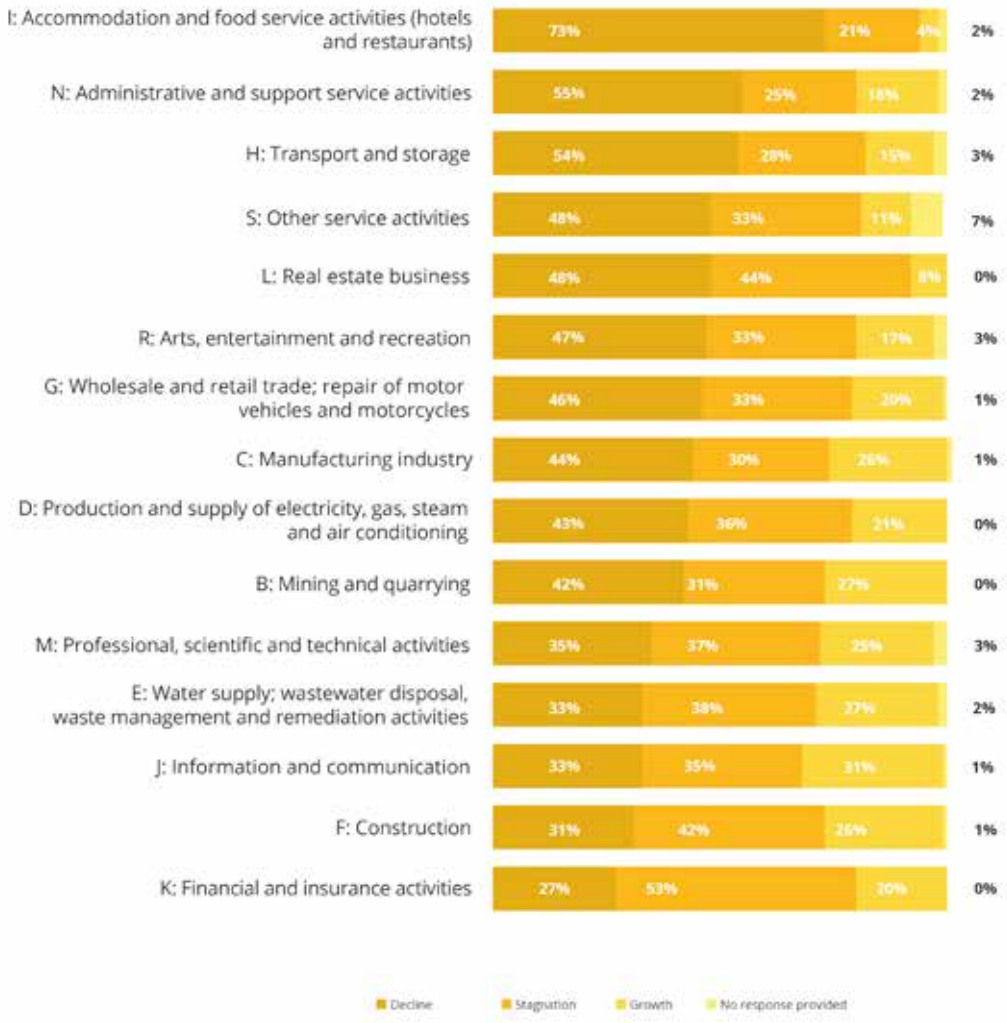
When it comes to assessing the financial performance of business in 2020 compared to 2019, the results correlate with the change in the business volume. The highest percentage of employers (44.9%) stated that there was decline in financial performance, while 32.7% recorded stagnation. A positive trend when it comes to the financial result of operations was recorded by 21.2% of all surveyed employers.

Table 4. Assessment of financial performance of business in 2020

Financial effects	FBiH	RS	Brčko Distrikt	Total - BiH	Percentage
Decline	515	485	90	1090	44,9%
Stagnation	405	295	94	794	32,7%
Growth	287	195	33	515	21,2%
No answer	25	3	2	30	1,2%
Total	1.232	978	219	2.429	100,0%

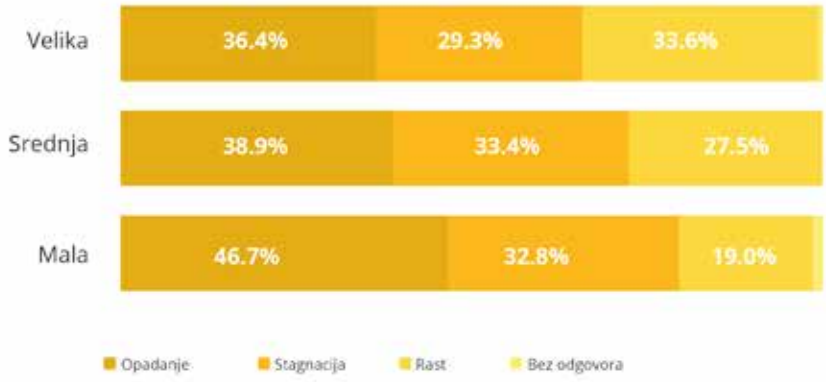
As to individual activities, the highest percentage of employers in hotel and catering industries (73%) reported decline in financial performance, followed by employers in administrative and support service activities (55%) and transport and storage (54%). The lowest percentage of employers in financial activities (27%), construction (31%), information and communication (33%), water supply, wastewater disposal, waste management and remediation activities (33%) reported decline in financial performance in 2020.

The growth of financial performance is best observed in information and communication activities, where 31% of employers reported a positive trend, i.e. growth of financial performance.



Graph 3. **Assessment of financial effects in 2020 by activities**

When analysing the assessment of financial performance for each category of enterprise by size, decline in financial performance was reported by 46.7% of small enterprises, 38.9% of medium enterprises and 36.4% of big enterprises. Similar to the assessment of business volume, these results indicate that small enterprises were more affected by the COVID-19 pandemic than medium and big enterprises in terms of financial performance. Also, when observing growth in financial performance – only 19.0% of small enterprises reported growth in financial performance in 2020, in contrast to 33.6% of big and 27.5% of medium enterprises.



Graph 4. Assesment of financial performance in 2020 by size

RESPONSE TO CRISIS CAUSED BY COVID-10 PANDEMIC

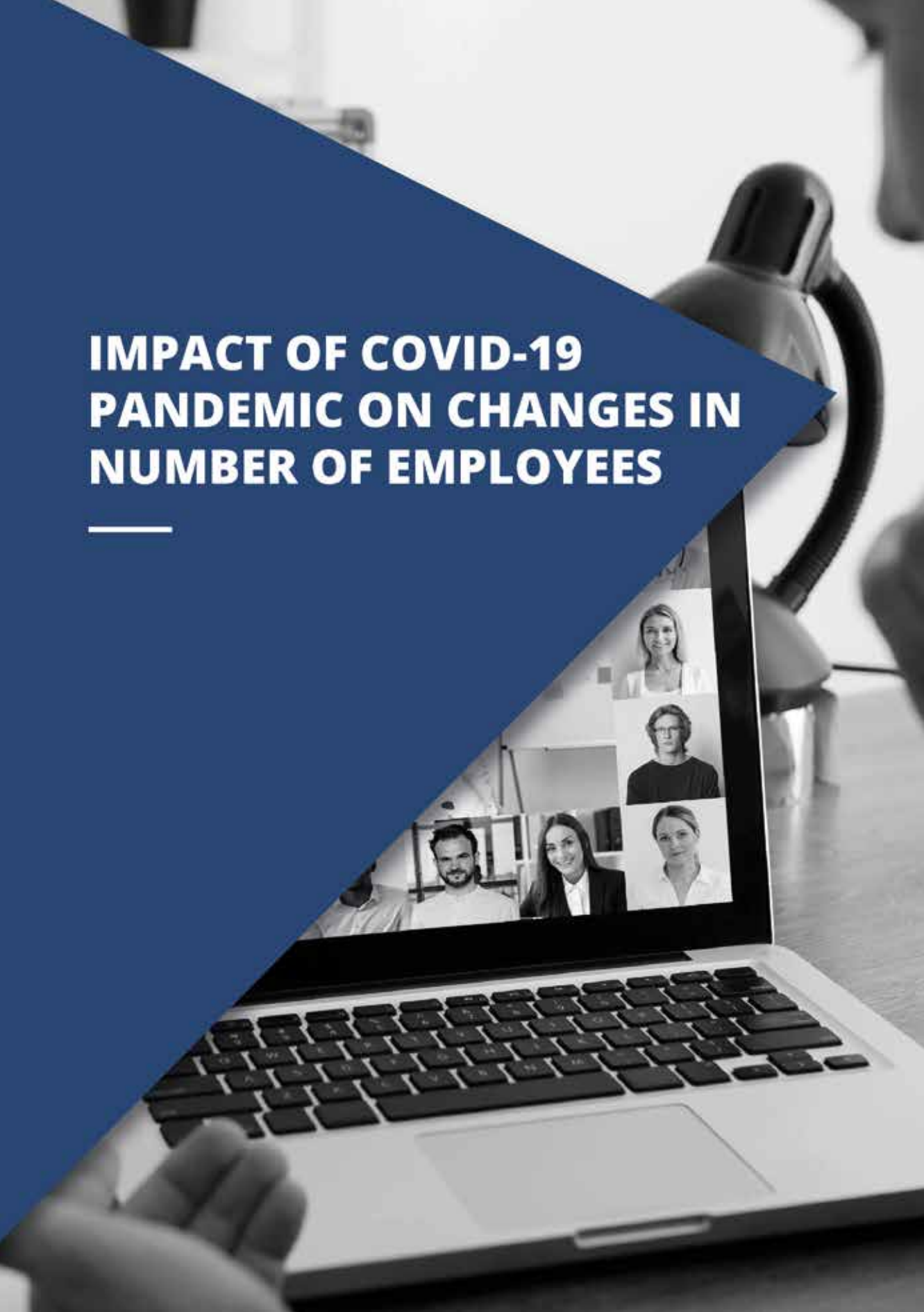
In response to the COVID-19 crisis, 28% of surveyed employers were forced to suspend their business operations, either temporarily or permanently. About 22% of employers were able to organize work from home, while 11% of employers decided to lay off workers to address the difficulties they faced.

Table 5. Response to crisis caused by COVID-19 pandemic

Organisational measure	FBiH	RS	BD	Total - BiH	Percentage[1]
Organisation of work from home	**220**	**315**	**8**	**543**	**22,4%**
Dismisal of workers	**145**	**113**	**8**	**266**	**11,0%**
Business suspension (temporary or permanent)	**236**	**366**	**78**	**680**	**28,0%**

[1] In relation to the total number of employers in the sample (2,429)

IMPACT OF COVID-19 PANDEMIC ON CHANGES IN NUMBER OF EMPLOYEES



IMPACT OF COVID-19 PANDEMIC ON CHANGES IN NUMBER OF EMPLOYEES

The employer survey had a question that monitors new employments and different ways of termination of employment contracts in 2020 (compared to 2019), where each employer was expected to answer the questions on the number of newly employed workers and those whose employment contract signed between the employee and the employer, regulating their mutual relationship, was terminated on any grounds (termination of employment contract, retirement etc.). The number of newly employed persons and the number of those whose employment contract was terminated were collected from a selected number of occupations of interest, but the employers were allowed to list other occupations.

Given that in 2020 employers both hired and fired employees of different occupations, the difference between the number of employed workers and those who were laid off gives the best insight in the change of the number of employees for a particular occupation, activity or the size of the enterpriase, as well as an insight into which occupations, activities and categories of enterprises are net "winners" (more new employments than contract terminations) or "losers" (fewer new employments than contract terminations). In general, on the sample level, it can be concluded that in 2020 there were more contract terminations than new employments (difference of 1.725 employees in the sample).

Table 6. Total number of new employments and contract terminations by gender

Change	Male		Female		Total	
	Total	%	Total	%	Total	%
New employments	5.497	63,0%	3.224	37,0%	8.721	100,0%
Employment contract terminations	6.298	60,3%	4.148	39,7%	10.446	100,0%
Difference	-801	46,4%	-924	53,6%	-1.725	100,0%

IMPACT OF COVID-19 PANDEMIC ON CHANGES IN NUMBER OF EMPLOYEES

Not all activities were equally affected. Information and communications (J), construction (F), transport and storage (H), professional, scientific and technical activities (M), water supply; wastewater disposal, waste management

and remediation activities (E), production and supply of electricity, gas, steam and air conditioning (D) are the activities with more new employments than contract terminations, and therefore they demonstrated resilience to the COVID-19 pandemic, at least in the context of job retention. Information and communication (23.3% of the total number of employment increase in 2020), construction (23.1%) and transport and storage (20.5%) gave an especially significant contribution.

All other activities had a negative difference between new employments and the total number of employees whose contracts were terminated. However, wholesale and retail trade; repair of motor vehicles and motorcycles (G) were significantly affected. Employers from this activity reported much more contract terminations than new employments. These employers make up 52.8% of the total reduction of the number of employees in 2020.

Table 7. Total number of new employments and employment contract terminations by activity

A) Activities with a positive difference (more new jobs than contract terminations)

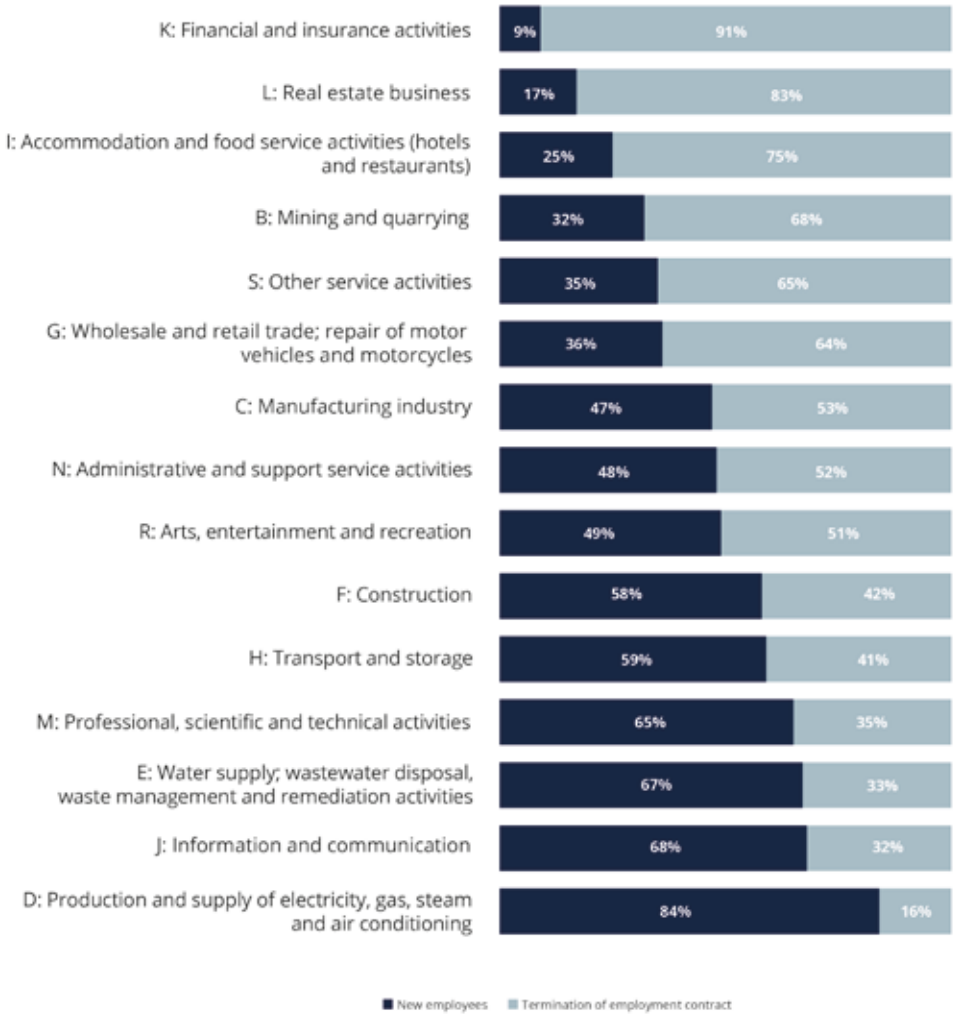
Activity	New employments	Contract terminations	Difference	Percentage
J: Information and communication	350	162	188	23,3%
F: Construction	700	514	186	23,1%
H: Transport and storage	555	390	165	20,5%
M: Expert, scientific and technical activities	299	160	139	17,2%
E: Water supply; wastewater disposal, waste management and remediation activities	142	70	72	8,9%
D: Production and supply of electricity, gas, steam and air conditioning atizacija	61	12	49	6,1%
A: Agriculture, forestry and fishing *	7	0	7	0,9%
Total	2114	1308	806	100,0%

B) Activities with a negative difference (more contract terminations than new jobs)

Activity	New employments	Contract terminations	Difference	Percentage
G: Wholesale and retail trade; repair of motorvehicles and motorcycles	1662	2998	-1336	52,8%
C: Manufacturing industry	3611	4094	-483	19,1%
I: Accommodation and food service activities (hotels and restaurants)	236	704	-468	18,5%
B: Mining and quarrying	82	171	-89	3,5%
N: Administrative and support service activities	708	761	-53	2,1%
L: Real estate business	11	55	-44	1,7%
K: Financial and insurance activities	3	31	-28	1,1%
S: Other service activities	19	35	-16	0,6%
R: Arts, entertainment and recreation	275	288	-13	0,5%
O: Public administration and defense; compulsory social insurance*	0	1	-1	0,0%
Total	6.607	9.138	-2.531	100,0%

* Activities not covered by research of all employment services covering a small (unrepresentative) number of employers.

If new employments and contract terminations are seen as changes in the labour market, Graph 5 gives us valuable information on the prevailing type of change. In this context, financial and insurance activities accounted for the highest number of contract terminations (91% of all changes), followed by real estate business (83%), hotel business and catering (75%), mining and quarrying (68%), other service activities (65%), trade (64%), manufacturing industry (53%), administrative and support service activities (52%) and arts, entertainment and recreation (51%). In other activities contract terminations account for less than 50%, which means these activities recorded more new employments than employment contract terminations.



Graph 5. Total number of change of employees, by type of change and by activity

On the basis of the data collected from the sample, the decrease in the number of employees was 1.6%. The biggest decrease was reported in hotel business and catering (19%).

Table 8. Changes in number of employees in relation to total number of employees

Activity	Number of employees [1]	Net change[2]	%[3]
A: Agriculture, forestry and fishing*	116	7	6,0%
B: Mining and quarrying	3.758	-89	-2,4%
C: Manufacturing industry	42.059	-483	-1,1%
D: Production and supply of electricity, gas, steam and air conditioning	1.693	49	2,9%
E: Water supply; wastewater disposal, waste management and remediation activities	2.059	72	3,5%
F: Construction	6.513	186	2,9%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	30.202	-1.336	-4,4%
H: Transport and storage	6.005	165	2,7%
I: Accommodation and food service activities (hotels and restaurants)	2.457	-468	-19,0%
J: Information and communication	3.536	188	5,3%
K: Financial and insurance activities	850	-28	-3,3%
L: Real estate business	528	-44	-8,3%
M: Professional, scientific and technical activities	2.611	139	5,3%
N: Administrative and support service activities	2.886	-53	-1,8%
O: Public administration and defense; compulsory social insurance*	3	-1	-33,3%
P: Education*	5	0	0,0%
Q: Health and social work*	32	0	0,0%
R: Arts, entertainment and recreation	2.056	-13	-0,6%
S: Other service activities	449	-16	-3,6%
Total	107.818	-1.725	-1,6%

[1] Number of employees in the sample in 2020 obtained from the information on the total number of employees – new employments + employees whose employment contracts were terminated.
[2] Calculated as number of new employments – number of those laid off
[3] Net change versus the number of employees in the activities.
* Activities not covered by surveys of all employment services which make up a small (unrepresentative) number of employers

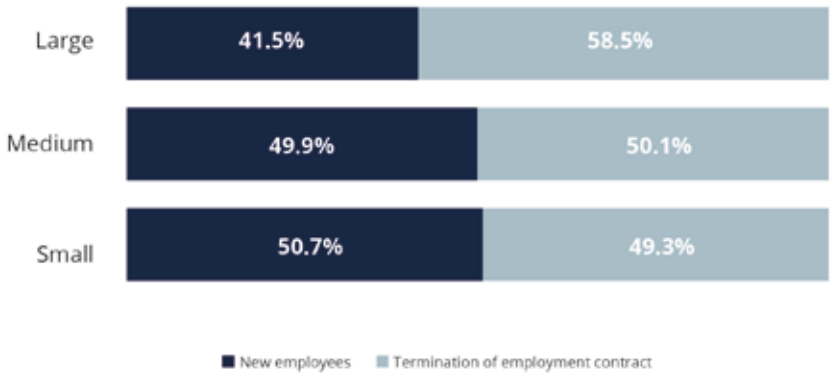
CHANGE OF NUMBER OF EMPLOYEES BY SIZE OF ENTERPRISE

The difference between the number of employees and the number of workers whose employment contracts were terminated is positive for small enterprises, which indicates that small enterprises generate jobs even during the COVID-19 pandemic. Medium and big enterprises had more lay-offs than new employments, ans this negative difference indicates the problems of big and small legal entities to maintain the pre-COVID-19 level of employment and ensure growth.

Table 9. Total number of new employments and employment contract terminations by size

Category	New employments	Contract termination	Difference
Small	2.199	2.139	60
Medium	2.206	2.214	-8
Big	4.316	6.093	-1.777
Total	8.721	10.446	-1.725

If new employments and contract terminations are seen as changes in the labour market, Graph 6 gives us valuable information on the dominant type of change. In small enterprises, new employments prevailed over contract terminations (50.7% of changes were new employments). In higher categories the share of new employments in the total number of changes drops. Therefore, the share of new employments for medium enterprises is 49.9%, and for big enterprises it is 41.5%.



Graph 6. Total number of change of employees, by type of change and size of enterprise

Based on the data collected from the sample, the decrease of the number of employees was 1.6%. The shatrpest decrease was recorded in big enterprises, 2.93%. Medium enterprises had a decrease of 0.3%, while small enterprises had an increase of 0.26%.

Table 10. Changes in number of employees versus total number of employees.

Category	Number of employees[1]	Change[2]	%[3]
Small	22.802	60	0,26%
Medium	24.389	-8	-0,03%
Big	60.627	-1.777	-2,93%
Total	107.818	-1.725	-1,60%

[1] Number of employees in the sample in 2020 obtained from the information on the total number of employees – new employments + employees whose employment contracts were terminated.
[2] Calculated as number of new employments – number of lay-offs
[3] Net change versus number of employees by category

CHANGES IN NUMBER OF EMPLOYEES BY OCCUPATION

Taking into account the difference between new employments and contract terminations by occupation, one can estimate the demand for an occupation (positive difference) or how much it was affected by the COVID-19 pandemic or some other factor (negative difference). In this context, the following occupations were especially in demand and they recorded a positive difference between the number of new employments and laid off employees: delivery man (12.2%), data entry operator (12.0%), auxiliary worker in production (7.8%), telephone operator (6.4%), truck driver (5.8%), IT developer (2.9%), carpenter (2.8%) and commercialist (2.5%). All these occupations recorded more new employees than laid off ones and they made up 52.3% of the increase in the number of employees.

Table 11. Occupations in sifnificant demand by employers during COVID-19 pandemic

Occupation	Number of employees			Percentage	Cumulative
	New employments	Contract termination	Difference (total increase of number of employees)		
Delivery man	203	13	190	12,2%	12,2%
Data entry operator	187		187	12,0%	24,2%
Auxiliary worker in production	573	452	121	7,8%	31,9%
Telephone operator - call centre operator	119	19	100	6,4%	38,3%
Truck driver	294	203	91	5,8%	44,1%
IT Developer	57	12	45	2,9%	47,0%
Carpenter	74	30	44	2,8%	49,8%
Commercialist	90	51	39	2,5%	52,3%
Programmer	86	47	39	2,5%	54,8%
Master of pharmacy	45	7	38	2,4%	57,3%
Builder	73	42	31	2,0%	59,3%
Pharmaceutical technician	40	12	28	1,8%	61,1%
Building manager	30	3	27	1,7%	62,8%
Carpenter	134	109	25	1,6%	64,4%
Tailor	79	56	23	1,5%	65,9%

Carpentry fitter	44	23	21	1,3%	67,2%
Wood model builder	19		19	1,2%	68,4%
Electrical technician	37	18	19	1,2%	69,6%
Economist	80	63	17	1,1%	70,7%
Varnisher	24	7	17	1,1%	71,8%
Wood grinding and polishing machine operator	82	65	17	1,1%	72,9%
Freight vehicle driver	151	134	17	1,1%	74,0%
Upholsterer	24	9	15	1,0%	75,0%
Other (different) occupations	1629	1238	391	25,0%	100,0%
Total	4174	2613	1561	100,0%	

Occupations which were especially affected in 2020, primarily because of the COVID-19 pandemic, and recorded a negative difference between new employees and those who were laid off: salesman – trader (17%), waiter (13.6%), seamster (6.3%), shoemaker (3.9%), leather seamster (3.5%), bus driver (3.1%), assembler of products from different materials (3.0%). All these occupations recorded more employment contract terminations than new employments in 2020, and they make up 50.3% of the reduced number of employees in 2020.

Table 12. Occupations significantly affected during COVID-19 pandemic

Occupation	New employments	Contract termination	Difference (total decrease of number of employees)	Percentage	Cumulative
Salesman - trader	869	1426	-557	17,0%	17,0%
Waiter	276	722	-446	13,6%	30,5%
Seamster	195	403	-208	6,3%	36,9%
Shoemaker	326	454	-128	3,9%	40,7%
Leather seamster	25	140	-115	3,5%	44,2%
Bus driver	51	154	-103	3,1%	47,4%
Assembler of products from different materials	0	97	-97	3,0%	50,3%
Cook	110	206	-96	2,9%	53,3%
Maid	14	100	-86	2,6%	55,9%
Administrative worker	77	157	-80	2,4%	58,3%
Traveling salesman	7	76	-69	2,1%	60,4%
Receptionist	11	58	-47	1,4%	61,8%
Confectioner	3	47	-44	1,3%	63,2%
Passenger vehicle driver	33	73	-40	1,2%	64,4%
Hairdresser	16	55	-39	1,2%	65,6%
Other (different) occupations	2534	3665	-1131	34,4%	100,0%
Total	4547	7833	-3286	100,0%	

CONCLUSIONS

CONCLUSIONS

This report represents a thematic research report created on the basis of research conducted by the Federation Employment Service, the Employment Service of Republika Srpska and the Employment Service of the Brčko District of BiH at the end of 2020 and the beginning of 2021
This report relies on the consolidated report, and thematically it deals with the questions from the questionnaire which concerns the impact of COVID-19 on the labour market in Bosnia and Herzegovina.

• The largest number of employers experienced decline or stagnation of business volume in 2020, which consequently affected their financial performance. Such results indicate that market disruptions caused by the pandemic produce impact visible in decreased demand for products and services, but also make it difficult to organize work in an enterprise.

• Employers in the fields of hotel and catering industries, administrative and support service activities, transport and storage were especially affected by the COVID-19 crisis, and a high percentage of employers reported decline or stagnation of business volume and financial performance. It is encouraging that a significant percentage of information and communication companies (31%) reported a positive trend, i.e. improvement of financial performance. The information and communication activity is the activity where the highest percentage of employers reported growth in financial results.

• Small enterprises were more affected by the COVID-19 pandemic than medium and big enterprises. Considering the growth in business volume, only 20.8% of small enterprises reported business volume growth in 2020, in contrast to 35.0% of big and 28.5% of medium enterprises. An analysis of the assesment of financial performance of each category of enterprise by size reveals that 46.7% of small enterprises, 38.9% of medium enterprises and 36.4% of big enterprises reported decline in financial performance. Similar to the assessment of business volume, these results indicate that small enterprises were more affected by the COVID-19 pandemic than medium and big enterprises in terms of their financial performance.

• Cessation of operations, whether temporary or permanent, was a step that 28% of the surveyed employers were forced to take in reaction to the crisis caused by the COVID-19 pandemic. Around 22% of employers were able to organize work from home, while 11% of employers decided to lay off employees as a way to deal with the difficulties they were facing.

• As to jobs, not all activities were equally affected. Information and communication (J), construction (F), transport and storage (H), professional, scientific and technical activities (M), water supply; wastewater disposal, waste man-

agement and remediation activities (E) and production and supply of electricity, gas, steam and air conditioning (D) are activities where more workers were hired than laid off, and they consequently demonstrated resilience to the COVID-19 pandemic, at least as far as job retention is concerned. Information and communication activities (23.3% of total job growth in 2020), construction (23.1%) and transport and storage (20.5%) had particularly important contribution. All other activities recorded negative difference between the number of new employments and the total number of employees whose employment contract expired. However, wholesale and retail trade; repair of motor vehicles and motorcycles (G) is an activity that was significantly affected. Employers from this activity recorded far more employment contract terminations than new employments. These employers make up as much as 52.8% of the total increase of the number of employees in 2020.

• Based on the data collected from the sample, the decrease in the number of employees was 1.6%. The biggest decrease was reported in hotel and catering industries (19%). The biggest decline was reported by big enterprises (2.93%). Medium enterprises had a 0.3% decline, while small enterprises had a 0.26% growth.

• The difference between the number of new employments and the number of employees whose employment contract was terminated, is positive for small enterprises, which indicates that small enterprises generate new jobs even during the COVID-19 pandemic. Medium and big enterprises reported more employment contract terminations than new employments, and this negative difference highlights the problems that big and medium legal entities encounter when trying to maintain the level of employment from before the COVID-19 pandemic and ensure growth.

• In this context, the following occupations were in special demand in spite of the pandemic, and generated a positive difference between new employments and employment contract terminations: delivery men (12.2%), data entry operators (12.0%), assistant workers in manufacturing (7.8%), telephone operator (6.4%), truck driver (5.8%), IT developer (2.9%), carpenter (2.8%) and commercialist (2.5%). All these occupations had more new employments than lay-offs and made up 52.3% of the increase in the number of employees.

• The following occupations were especially affected in 2020 mainly due to the COVID-19 pandemic, and they recorded negative difference between new employments and lay-offs: salesman – trader (17%), waiter (13.6%), seamster (6.3%), shoemaker (3.9%), leather seamster (3.5%), bus driver (3.1%), assembler of products from different materials (3,0%). All these occupations recorded more employment contract terminations than new employments in 2020, and they make up 50.3% of the reduced number of employees in 2020.

LABOUR MARKET RSEARCH IN BOSNIA AND HERZEGOVINA 2020/2021
COVID-19 IMPACT ON LABOUR MARKET 30